

7 CFR PARTS 250.13(a), 250.24(d), 250.48

CHAPTER III

ORDERING FOOD

A. AVAILABLE COMMODITIES

The USDA provides donated foods for distribution to agencies participating in various programs served by the FDP. Group A commodities are available when American farmers produce more food than the commercial market can use (surplus removal). Group B commodities are purchased when prices are low and food supplies are abundant (price support).

Public and private schools, and residential child care institutions are eligible to receive donated foods. Group A foods include: beef, pork, chicken, turkey, fish, fruits, vegetables, and juices. Group B foods include: grain products (flours, cornmeal, rice and pastas), oil products, peanut products, and dairy products (mainly cheeses).

Commodities are also offered, once a year, to agencies operating a summer food service program.



B. ALLOCATION -- DETERMINING A FAIR SHARE -- ENTITLEMENT

The FDP allocates commodities to agencies based on the number of reported reimbursable lunches served from April 1 through March 31 of the previous year. The number of reimbursable lunches is multiplied by a per meal value set by Congress to determine the entitlement dollars.

For Group A, USDA surveys State Distributing Agencies as commodity is anticipated to become available. Based on the fair share calculation, the desired quantity is ordered for participating agencies. USDA purchases Group B commodities as requested by participating agencies, depending on market availability.

Entitlement dollars are deducted from an agency's total allocation as commodities are ordered for them.

Summer Food Service Program agencies receive their commodities based on the reported number of meals anticipated to be served.

7 CFR PART 250.4(b)

C. DONATED FOOD RECEIVING ALTERNATIVES

- *Eligible recipient agencies served through one of the State's Food Distribution Centers (FDC) receive **regular offering** forms, listing commodities available or anticipated to be available for distribution. In order to receive any of the donated foods, an agency must complete and return the offering form to the appropriate FDC by the designated date. An offering schedule providing information concerning mailing dates, submission deadlines and delivery schedules is distributed to participating agencies at the beginning of each fiscal year.*
- *The FDCs also provide delivery and storage services for members of the State Cooperative (**State Co-op**). Early in the calendar year members submit a one-time order form requesting desired commodities for the next school year. This includes commodity to be shipped directly to a processor.*
- *Commodities may also be received through membership in a private cooperative. The ordering and delivery processes for members are handled through a lead school district and commercial distributor. Several larger school districts order commodities through the FDP and receive their commodities directly from USDA vendors. The private co-ops and these larger school districts are referred to as **Direct Ship Agencies**.*

Regular Offerings

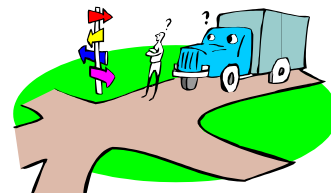
Eligible agencies are offered at least one unit of each available donated food item. Many commodities, particularly seasonal items, are available for only short periods of time during the year. Commodities may be offered during one offering cycle and not on subsequent offerings. The actual time of arrival of specific shipments of donated foods at the FDCs is not always known at the time offerings are printed.

The FDP projects arrival dates based on information available at the time the offering is prepared. However, USDA shipments do not always arrive when anticipated. Items that do not arrive in time to be delivered will be shown on the bill of lading as N-I-S (not in stock) and will be deleted from the agency's order. If the item arrives later, it will be offered again on the next regular offering.

Advance Ordering/Diverted Shipments

Agencies with an average daily participation (ADP) of 250 or more, receiving regular offerings, may participate in the Advance Order program. Under the Advance Order program, agencies orders are combined, allowing for direct diversion of commodities to approved processors. A reduced service and handling fee is assessed for these diversions.

During the early fall of each year, an interest letter is faxed to agencies to determine their desire to participate in the advance diversion of commodities to processors for the next school year. Qualified agencies responding to the interest letter will be mailed an Advance Order packet.



Ordering information and forms, and a list of approved food processors are included in the packet. The order form must be completed and include the donated food identified, quantity desired, and the name of the preferred processor. An alternate processor should also be indicated.



Once the food requests are combined and orders are placed with USDA, a schedule is prepared for each processor identifying commodity title, quantity ordered, and agency information. Agencies must communicate with processors to place and complete finished product orders.

Agencies not participating in the Advance Order program may arrange to have processor's pick up commodity at the distribution center or other storage facility when it is offered on the regular offerings.

State Co-op

State Co-op members receive their commodities through one of the FDCs. Agencies submit a completed order form in the late fall requesting commodities for delivery to the FDC and/or for direct shipment to processors for the next school year. A schedule is faxed once a month to each member notifying them of orders placed with USDA for requested commodities. The schedule also includes the anticipated delivery date to the FDC, entitlement value, quantity, and processor name (if applicable).

The FDP State Co-op Coordinator provides administrative services. State Co-op members do not receive regular offerings. On a monthly basis the FDC

notifies each agency of commodities that have been received and are available for delivery, pick up, or storage. Agencies may choose to use FDC facilities for extended storage of their commodities.

Direct Ship Agencies

Agencies with a combined ADP of 50,000 or more may benefit from direct shipment by forming a cooperative. The cooperative selects a lead district to represent them as the liaison with the FDP. Commodities are ordered for delivery to a distributor and/or food processor. Generally the private distributor works with the cooperative for delivery, storage, and administrative services.

The size of a single agency may warrant direct delivery of commodities to their storage facilities. If the agency is qualified, arrangements for ordering may be made with the FDP Direct Shipment Coordinator. An agency may choose to receive all its donated food at its facilities, or it may choose to divert certain commodities to a food processor.

Agencies belonging to a private co-op, or electing to take direct delivery of commodities do not receive offerings. Notification confirming the destination, quantity, and approximate delivery dates for direct shipment orders are faxed to each co-op lead district monthly. The Direct Shipment Coordinator must be notified immediately if any information regarding direct shipment schedules does not agree with agency records.

Signed delivery receipts must be faxed to the FDP within 48 hours of acceptance of commodity.

D. REGULAR OFFERING ORDERING PROCEDURES

Offering forms should be completely filled out, manually signed, and returned to the distribution center address on the form. They must be received by the distribution center by the date shown on the offering, whether or not any food is ordered.

Completing the Offering

Agencies should take into account their current food inventory before filling in the amount to order. It is not necessary to deduct the amount on hand from the maximum units allowed, but it should be a consideration when determining the amount needed for the offering period. Small agencies serving fewer than 50 meals per day should consider whether or not they can properly store and use donated food in commercial pack sizes. The FDP delivers whole units only; cases or balers will not be split.

The correct shipping address must be entered on the offering form. Truck drivers are not permitted to deviate from the shipping instructions given to them by the FDP.

It is **not** possible to deliver part of a single commodity to one location and the balance to some other address. It is possible, however, to deliver refrigerated storage to one address and dry commodities to a different address if this information is provided on the returned offering form.

The original offering should be completed, signed, and returned to the appropriate FDC address. Offerings not returned by the due date *may* not be filled.

Pickup by Agency at Distribution Center

An agency may pick up its donated food at the distribution center. To do that, the agency must write "Pickup" under the shipping address on the food offering form before returning it to the FDC.

The FDC will contact the agency for pickup upon completion of the batching of its' order. Once notified the order has been batched, the agency is responsible for calling to make arrangements at least 48 hours in advance of the desired pickup time. Pickup is not permitted prior to the beginning delivery date of the current offering cycle, and food must be picked up by the final date of the offering cycle.

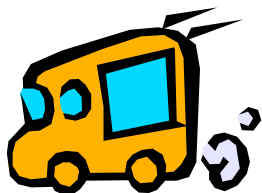
PICKUP SCHEDULE

The recommended time for pickup of food orders at the food distribution center is Tuesday through Friday between 7:00 a.m. and 1:00 p.m.

Agencies will realize a discounted service and handling charge for picking up the donated food at the FDC. For attempted deliveries returned to the FDC as undeliverable, an agency has the option of picking up the delivery at the distribution center at the reduced service and handling charge for the second "delivery." However, the original charges will still be assessed for the unsuccessful delivery attempt.

Pickup by Processor at Distribution Center

If an agency requests the distribution center to set-aside donated food for pickup by a processor, the agency must complete and return a Hold for Processor Pickup Form with its offering. This is referred to as *backhauling*.



The processor must have a current approved processing agreement. It is the agency's responsibility to notify the processor that commodity is available for pick up at the FDC. The agency must also inform the processor that pickup must take place before the final pickup day. The processor must give the FDC 48 hours notice before picking up the set-aside donated food. Service and handling charges are not discounted for donated foods picked up by a processor.

Extended Storage Information

Extended storage is available at both Distribution Centers. Agencies using extended storage can receive monthly deliveries for a one-time service and handling charge of \$1.95 per unit. In addition, storage costs per unit shall be applied as listed below:

Storage Cost per Unit per Month

Frozen.....	\$.50
Refrigerated.....	\$.40
Dry.....	\$.30

To participate in the extended storage program complete the "Hold for Extended Storage" form and submit it to the Distribution Center that serves your agency. A copy of the form is included in the manual (page 3-8), is also available on the CDE website, and is included as an attachment in each offering packet.

7 CFR PART 250.40

E. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN OFFERINGS

Agencies applying to the Summer Food Service Program (SFSP) are sent an offering following approval of sponsorship. The offering must be completed and returned to the address at the top of the forms.

An Unused Commodity Report will be mailed out with the offering. It must be completed at the end of the SFSP session and returned within five days after the closing date.



When FDP receives notification from the Summer and Adult Care Program that the application has been approved, FDPs will mail out an offering package.

The package will include:

Food Offering Form
Instructions for completing the forms
Unused Commodity Report Form

Completing the Offering

The SFSP receives food through a process similar to that of the National School Lunch Program. The offering is computerized and programmed to calculate the maximum number of units an agency can order for each food item.

The sponsor is not required to order the maximum amount of food that is offered and should take into consideration how much of each commodity the program can use by the end of the session without waste. At least one unit of each food item will be offered to each agency. (See *Regular Offering **Ordering Procedures*** for details.)

Once the offering is returned, the FDC will prepare and ship commodities in accordance with the instructions on the food offering order form.

Shipping and Pickup

Donated food will be delivered only to the address specified on the returned offering form. Delivery locations must be accessible to the driver's equipment and routine route schedule. Adequate personnel and facilities must be available at the shipping address to accept donated food deliveries.

Agencies may pick up the food from the FDC if it is more practical and convenient. The agency must write "pickup" under the shipping address on the food offering form before returning it to the FDC. The food distribution center will notify the agency when the food is available for pickup.

Leftover Food

To avoid ordering excessive amounts, sponsors should make an accurate estimate of the number of children expected to participate in the summer program and order a realistic amount of food based on that estimate. All leftover food must be transferred to an eligible agency. Sponsors must contact the FDP Commodity Consultant assigned to the SFSP for approval *prior* to transferring leftover food to another agency.

G. DEPARTMENT OF DEFENSE (DOD) FRESH FRUIT AND VEGETABLE PROJECT

Under this project, DOD purchases fresh produce and delivers it to the FDCs, and participating direct shipment agencies. The distribution centers will deliver the fresh fruit and vegetables to participating offering and State Co-op agencies. Agencies chosen to participate in this project were selected based on geographic location.



Participating offering agencies receive a separate DOD Offering with the regular offerings. State Co-op members receive a survey form to complete. Direct Ship Agencies order and receive their requests directly from DOD.

Produce received through the FDC is generally delivered with regular delivery of USDA commodity items.

Purchases are deducted from each agency's entitlement allocation. A service and handling charge is assessed for each case of produce delivered.

